GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

STARRED QUESTION NO:731
ANSWERED ON:16.05.2002
FUNDS MOBILISED BY IRFC
RAJO SINGH

Will the Minister of RAILWAYS be pleased to state:

(a) the total funds mobilized by Indian Railways Finance Corporation (IRFC) during the last three years till date;

(b) the interest being paid by the IRFC thereon;

(c) whether the Railways have taken any steps to mobilize funds at lower rate of interest; and

(d) if so, the details thereof?

Answer

MINISTER OF RAILWAYS (SHRI NITISH KUMAR)

(a)to(d): A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TOPARTS (a) TO (d) OF STARREDQUESTION NO. 731 BY SHRIRAJO SINGH TO BE ANSWERED IN LOK SABHA ON 16.05.2002 REGARDING FUNDS MOBILISED BY IRFC.

(a): The Indian Railway Finance Corporation Limited (IRFC) has mobilized funds to the tune of Rs. 2996 crore, Rs. 2950 crore and Rs. 2185 crore during the years 1999-2000, 2000-01 and 2001-02 respectively.

(b): Interest is being paid by IRFC at the average rateof about 11.7% per annum on the funds raised during 1999-2000, 11% per annum on the funds raised in 2000-01 and 9.8% per annum on the funds raised in 2001-02. The amount of interest paid will vary from year to year based on the outstanding principal amount of the borrowings.

(c) & (d): Taking advantage of the fall in interest rates and the favourable liquidity conditions in the capital market, the Indian Railway Finance Corporation has in recent years raised borrowings at very competitive rates. The average cost of borrowing in respect of funds raised by the Corporation during the year 2001-02 has been less than 10% per annum. The benefits of lower cost of borrowing has been passed on to the Railways in the form of lower rates of lease charges for rolling stock financed out of market borrowings.